

Message Text

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47

ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 AID-05 CIEP-01 OMB-01

XMB-02 CIAE-00 INR-07 NSAE-00 /040 W

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R 191131Z JUN 75

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 672

INFO (4/AMCONSUL KARACHI 3256

LIMITED OFFICIAL USE ISLAMABAD 5612

E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC INSURANCE: AMERICAN BANKS

REFERENCE: (A) STATE 130545

(B) ISLAMABAD 4618

(C) STATE 112567

1. AFTER CONSULTATION WITH CONGEN KARACHI AND LOCAL BANK REPRESENTATIVES, EMBASSY HAS SENT FOLLOWING LETTER TO MINISTRY OF FINANCE (JOINT SECRETARY INTERNAL FINANCE M.G. HASAN) WITH COPIES TO SIRAJ YUSUF KHAN (JOINT SECRETARY-EXTERNAL FINANCE, MINISTRY OF FINANCE) AND STATE BANK GOVERNOR:
QUOTE

THE AMERICAN BANKS IN PAKISTAN ARE IN THE PROCESS OF TRANSFERRING TO PAKISTAN THE FUNDS NECESSARY TO MEET THEIR RESERVE REQUIREMENTS PURSUANT TO THE RULING PUBLISHED IN THE GAZETTE OF PAKISTAN DATED APRIL 4, 1974. SEVERAL OF THESE BANKS HAVE REQUESTED THAT THE FUNDS SO TRANSFERRED BE COVERED BY INSURANCE FROM THE OVERSEAS PRIVATE INVESTMENT CORPORATION (OPIC), AN AGENCY OF THE U.S. GOVERNMENT. IN ACCORDANCE WITH THE U.S.-PAKISTAN INVESTMENT GUARANTEE AGREEMENT DATED MAY 26, 1955, AS AMENDED, SUCH INSURANCE PROPOSALS MUST HAVE THE APPROVAL OF THE GOVERNMENT OF PAKISTAN.

COULD YOU PLEASE CONFIRM TO ME, AT YOUR EARLIEST
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CONVENIENCE, THAT THE GOVERNMENT OF PAKISTAN HAS NO

OBJECTION TO SUCH INSURANCE?

THANK YOU FOR YOUR CONSIDERATION.

SIGNED - J.BRUCE AMSTUTZ, ECONOMIC COMMERCIAL COUNSELOR

UNQUOTE

2. FROM CONGEN KARACHI WE UNDERSTAND THAT AMERICAN EXPRESS INTERNATIONAL AND BANK OF AMERICA ARE DEFINITELY INTERESTED, IN INSURANCE, BUT FNCB IS NOT, AT LEAST FOR THIS YEAR; WE HAVE COPIES OF AMEX APPLICATION TO OPIC, AND REF C ADVISES US THAT OPIC HAS GIVEN ITS TENTATIVE APPROVAL PENDING PAKISTAN GOVERNMENT APPROVAL. IT WOULD BE USEFUL FOR US TO HAVE MORE PRECISE INFORMATION ON THE TYPE AND AMOUNT OF INSURANCE COVERAGE SOUGHT BY BANK OF AMERICA. WE UNDERSTAND \$350,000 IS TO BE TRANSFERRED DURING THE FIRST YEAR, WITH INCREASING AMOUNTS DURING THE NEXT THREE YEARS. WOULD THIS FULL AMOUNT BE COVERED BY CONVERIBILITY AND EXPROPRIATION INSURANCE?

LUPPI

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Message Attributes

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Disposition Authority: buchant0
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Margaret P. Grafeld
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